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The Effectiveness of the Entrepreneurship Education Program in Upgrading Entrepreneurial Skills among Public University Students

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Abstract

Entrepreneurship education programmes create high job satisfaction and enhance life status. Higher levels of entrepreneurship education achievement lead to higher earnings and reduce the level of unemployment. Of late, many universities around the world are in the process of strengthening their entrepreneurship education programmes in order to create more young entrepreneurs in the future. This kind of education programme is always being reviewed to ensure the structure of the programme will fit in with the challenges of the world outside. The purpose of this study is to evaluate the effectiveness of entrepreneurship education programmes on Malaysian university students. This study used the survey technique to evaluate the effectiveness of the entrepreneurship education programme in a Malaysian public university, specifically at Universiti Utara Malaysia. The result shows that the entrepreneurship programme which is offered by Universiti Utara Malaysia (UUM) is very effective in enhancing the entrepreneurial skills of the students. The findings suggest a strong relationship between the business plan, risk thinking and also self-efficacy and effectiveness of the programme, while a moderate relationship is observed in need for achievement and locus control. Thus, this study has suggested that the entrepreneurial skills and activities can be spurred through entrepreneurship education and training in a public university. The research findings will be highly significant to the Ministry of Education in terms of strengthening the entrepreneurship culture among the youth. Building the interest of our young generation is a challenge the government will face. Finally, the findings of this study will guide policy makers on how to take appropriate measures regarding current trends of entrepreneurship education programmes in public universities in Malaysia.

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1. Introduction

Youth is a valuable asset that can contribute to the economic development of Malaysia. At this period of time, most of the youth are currently in the process of completing their studies and preparing themselves for the job sector. As we understand, most of the vacancies in the public and private sectors require the candidates to have an appropriate level of education as one of the criteria to be fulfilled. Indeed, the level of education of this generation will determine the type of job that they are qualified to apply. According to Chen, Chang & Mahmood (2009), many universities and higher education institutions in Malaysia have started to introduce courses related to entrepreneurship or major in entrepreneurship, for instance, Multimedia University (MMU) has launched a program known as Bachelor of Multimedia (Media Innovation and Entrepreneurship) with Entrepreneurship as a core course. On the other hand, the Malaysian government through the Ministry of Higher Education implemented a policy to enhance the entrepreneurship education programs in higher learning institutions. The Entrepreneurship Development Policy was introduced in 2010 with several strategies. Nordin (2010) believes that the introduction of Entrepreneurship Development initiative for Malaysian higher learning institutions in 2010 will produce graduates with entrepreneurial mindset and increase the number of graduate entrepreneurs besides nurturing entrepreneurial academics and researchers. This policy is necessary due to the increasing interest of many countries to foster entrepreneurship culture through university education and trainings as it has been proven that entrepreneurial activities can be spurred through entrepreneurship education and trainings.

Hence, the Entrepreneurship Development Policy consists of six strategic levels which are first of all, to set up an entrepreneurship centre in every higher learning institution. This is for implementing, monitoring as well as evaluating the program and also activities that are related to entrepreneurship. The second level is to develop and formulate a new notion for knowledge and entrepreneurship programs in all the higher learning institutions. Third, to deeply entrench the development programs which are parallel to strengthening entrepreneurship for the purpose of producing more young entrepreneurs; the fourth level is the role of the institutions in formulating a new mechanism to evaluate the success of projects. The fifth level is to create a more conducive environment to encourage the development of entrepreneurship students.

According to the statistical data from the Ministry of Higher Education (2014), the total number of graduates who were still unable to secure an appropriate job in 2013 was 53,282. This is the most acute problem faced by our present graduates. Consequently, every university around the world is now strengthening their education programs in order to produce more young entrepreneurs who can create their own jobs. These programs have always been amended to make sure that the structure of the programs fits the challenging and demanding world outside.

Most graduates are aiming to get high salaries in the public or private sector after graduation. They never realize that there is a sector that would offer them higher income than working in private as well in public sectors. Most of the graduates assumed that entrepreneurship is not suitable for them due to their lack of knowledge on this field. As a result, our youths are focusing on hunting for the best positions in the public and private sectors that are very competitive rather than choosing to become entrepreneurs as a solution in generating income. Besides, there is a situation where these youth have to work hard for their fixed wages even though their salaries do not commensurate with the amount of work that they do. Indeed, becoming an entrepreneur is much better than becoming an employee. To produce successful entrepreneurs is not easy. It needs a lot of effort, determination and commitment to pick up the qualities of entrepreneurs. In fact, a lot of scholars believe that becoming an entrepreneur is a process and youth can be shaped to be one in this industry. The government also realized that entrepreneurship is a profiting skill that can help our youth generate not only their own personal income, but also the economic development of the nation. This study is only a guide and a contribution to entrepreneurship knowledge with the hope of strengthening entrepreneurship among the youth. To build the interest of our young generation is a challenge to the government.

The lack of knowledge and awareness on entrepreneurship among our youth is a big challenge nowadays. With the rate of unemployment in our country which is around 3.0% (430,000 unemployed) by the Malaysian Statistical Department as of March 2015, our youth seem to be in a dilemma and stuck in their own dimension whereby they will slowly be lost in this era. Have we ever imagined and thought of the long term effects on our youth? At least 1.5 million of our youth are at a high risk of getting involved in unemployment problem, social crimes, juvenile and a lot of unethical problems. To overcome these problems, our government through the Ministry of Higher Education has started to come up with a lot of activities for the students in higher learning institutions who have high potential to be entrepreneurs.

The purpose of this study is to evaluate the effectiveness of Universiti Utara Malaysia's Entrepreneurship

Education Program, to determine the characteristics of good entrepreneurs and to find out whether the Entrepreneurship Program in Universiti Utara Malaysia is helpful in enhancing entrepreneurship skills of the students.

2. Literature review and hypotheses development

The study relies on the need for achievement theory which proposes the theory on motivation that basically relates to entrepreneurship. According to Mohanty (2005), this theory is among the best theories on entrepreneurial development. It is divided into three different levels of achievements, that is, Need for Achievement, Need for Power and Need for Affiliation. Mohanty (2005) also states the first level of achievement which is the need for achievement, is normally found in every individual, group and community. People that have this achievement tend to be successful entrepreneurs. It has been said that those individuals who have high orientation are more prepared to face the risks in entrepreneurship. The need to get what they already invested in entrepreneurship will encourage them to get back what they want. The achievement is actually for the purpose of motivation, and therefore these individuals will try to achieve what they want. According to McClelland (1962), high achievers take personal responsibility, set moderate achievement goals, take calculated risks and value concrete feedback regarding performance.

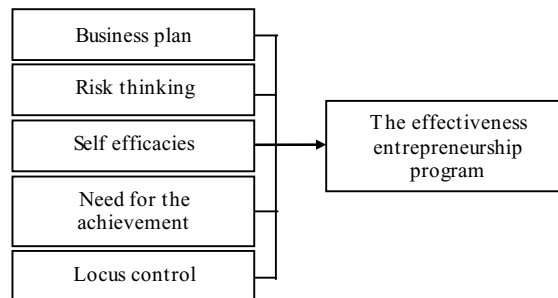


Fig.1. The effectiveness entrepreneurship education program.

Syed Zamberi Ahmad (2012) rigorously discusses the importance of having an entrepreneurship education in higher learning institutions. These institutions will produce thousands of graduates each year. An entrepreneurship program has its own future and it can help boost Malaysia's economy as well as develop our country. According to Syed Zamberi Ahmad (2012), most of the countries now are more concerned in entrepreneurship education. European countries also realize how entrepreneurship can bring benefits to their economy. Bringing this entrepreneurship education to the society is one of the steps to boost up their economy. The entrepreneurship program in certain universities should be more structured when imparting knowledge about business plans to the students. This knowledge is so important to the younger generation who are still young in starting their business. The Business Plan course should cover the entire field of entrepreneurship which covers topics such as finance, opportunities and so on. When the knowledge is delivered to the students, it automatically leads to the effectiveness of the program and finally, it can create young entrepreneurs in the future. To be good entrepreneurs, youth should know about risks and master them. Wee, Lim & Lee (1994) state that "Successful entrepreneurs are not gamblers; they take calculated risk...commonly referred to as risk-takers..." So, the higher learning level is the best platform to train the youth to be risk-takers so that they can survive in the business world.

The programs in universities should prepare the youth for all kinds of challenges and uncertainties that they may face. The other element that can contribute to the effectiveness of these programs in producing more young entrepreneurs in the future is self-efficacy. It is actually one of the variables that can develop the students to be more prepared as entrepreneurs. Bandura (1986) defines self-efficacy as, "...concerns individuals' personal beliefs in their own competence to perform a certain task". Self-efficacy in entrepreneurship is important in order to set off the spirit in every student to be more innovative and creative in entrepreneurship. In addition, this entrepreneurship program can actually train them to be more responsibility and to trust themselves.

Honig (2004) defines business plan as a written document that describes the current state and the pre-supposed

future of an organization. To ensure the effectiveness of the program, the Business Plan course covers a wide range of topics. According to Honig (2004), a business plan consists of 20 to 40-plus page document that outlines a proposed new product or service, the organizational and financial strategies to be employed, marketing, production, and management activities, and an examination of the competitive and environmental constraints and resources. With this, the students can prepare themselves in the business world. Based on this, the hypothesis below has been developed:

H1: There is a relationship between business plan and the effectiveness of the entrepreneurship program on students in Universiti Utara Malaysia.

In order to be successful entrepreneurs, the most important element is risk taking. Preparing the students and developing their mindset as risk takers is the most crucial part. European Commission Report (2008) suggests that developing personal attributes and skills form the basis of an entrepreneurial mindset and behaviour (creativity, sense of initiative, risk-taking, autonomy, self-confidence, leadership, team spirit, etc.). The following hypothesis is developed based on the literature which is:

H2: There is a relationship between risk thinking and the effectiveness of the entrepreneurship program on the students in Universiti Utara Malaysia.

Wilson et al. (2007) describe self efficacy as self confidence in domain and it is actually based on individuals' self-perceptions on their skills as well as their abilities. Self efficacy is an essence that entrepreneurs must have in order to survive in the entrepreneurship arena. On the other hand, Boyd and Vozikis (1994) determines the self-efficacy construct as appropriate for the study of entrepreneurship because of its nature: it is a task-specific construct that includes an assessment of confident beliefs an individual has about internal which is personality and external or environment. From this, the third hypothesis is developed to explain more about self efficacy and entrepreneurship through education.

H3: There is a relationship between self-efficacy and the effectiveness of the entrepreneurship program on students in Universiti Utara Malaysia.

Since David McClelland (1962) introduced his theory on motivation, the need for achievement is considered as one of the traits that should be possessed by successful entrepreneurs. The desire to have the need for achievement is the major element which encourages the individual to become successful. Besides, Collins et al (2004) in their findings suggest that achievement motivation or the term of need for achievement may be particularly potent in predicting outcomes at particular levels of analysis and in specific situations which also is the key to entrepreneurship.

H4: There is a relationship between the need for achievement and the effectiveness of the entrepreneurship program on the students in Universiti Utara Malaysia.

Nieuwenhuizen & Marcado (2007) state that internal locus of control is typical of successful entrepreneurs. This is due to the emotional control and they become more optimistic as well as realistic in making decisions in business.

H5: There is a relationship between locus of control and the effectiveness of the entrepreneurship program on the students in Universiti Utara Malaysia.

3. Research method

In this study, the survey technique was used and a questionnaire was developed to examine the effectiveness of the entrepreneurship program among students in Universiti Utara Malaysia. The number of respondents for this study was 130. The data obtained was analyzed using Statistical Package for Social Science (SPSS) for Windows

Release 19.0. From the pilot test, the result of the reliability test for the effectiveness of the overall program was 0.879. This result is more than 0.8, which is in the range of excellent and is considered as having high and good reliability, and therefore it is accepted in this study. As for the variables, business plan consisted of 6 items of reliability co-efficient and the Cronbach's Alpha is 0.893 while the variable risk thinking consists of 5 items with 0.847 as the Cronbach's Alpha. The next variable is self-efficacy which consists of 10 items and the Cronbach's Alpha was 0.871 followed by the variable need for achievement which consisted of 5 items and the reliability test co-efficient of 0.877. Lastly, the variable locus of control scores 0.870 for reliability and consists of 6 items. From the analysis, it is clear that all of the variables scored more than 0.80 which is in the range good and high reliability. According to Bougie & Sekaran (2010), the result shows that it can be accepted. A reliability co-efficient of 0.80 is considered poor; those in the 0.70 range are acceptable while those over 0.80 are considered good.

4. Findings

Table 1. Correlations.

		Effectiveness	Business Plan	Risk Thinking	Self Efficacies	Achievement	Locus
Effectiveness	<i>Pearson Correlation</i>	1	.768**	.732**	.797**	.516**	.575**
	<i>Sig. (2-Tailed)</i>		.000	.000	.000	.000	.000
	<i>N</i>	130	130	130	130	130	130
Business Plan	<i>Pearson Correlation</i>	.768**	1	.777**	.829**	.513**	.624**
	<i>Sig. (2-Tailed)</i>	.000		.000	.000	.000	.000
	<i>N</i>	130	130	130	130	130	130
Risk Thinking	<i>Pearson Correlation</i>	.732	.777**	1	.790**	.431**	.669**
	<i>Sig. (2-Tailed)</i>	.000	.000		.000	.000	.000
	<i>N</i>	130	130	130	130	130	130
Self Efficacies	<i>Pearson Correlation</i>	.797**	.829**	.790**	1	.614**	.669**
	<i>Sig. (2-Tailed)</i>	.000	.000	.000		.000	.000
	<i>N</i>	130	130	130	130	130	130
Achievement	<i>Pearson Correlation</i>	.516**	.513**	.431**	.614**	1	.568**
	<i>Sig. (2-Tailed)</i>	.000	.000	.000	.000		.000
	<i>N</i>	130	130	130	130	130	130
Locus	<i>Pearson Correlation</i>	.575**	.624**	.669**	.669**	.568**	1
	<i>Sig. (2-Tailed)</i>	.000	.000	.000	.000	.000	
	<i>N</i>	130	130	130	130	130	130

**Correlation is significant at the 0.01 level (2-tailed).

Table 1 shows the correlation between relationship and the IVs (business plan, risk thinking, self-efficacy, need for achievement and locus control) and dependent variable which is DV (the effectiveness of the entrepreneurship program). However, the variable of need for achievement and locus of control have a lower correlation with dependent variables compared to the other variables.

To further investigate the relationship between the IVs and DV, we proceeded with the multiple regression analysis. The result of step-wise multiple regression analysis is shown in Table 2. Only the variable of business plan, risk thinking and self-efficacy are found to be significantly related to the effectiveness of the entrepreneurship program. However, the variables of need for achievement and locus of control are statistically insignificant.

Table 2. Stepwise multiple regression.

Model 3	Unstandardised Coefficients		Standardised coefficient		t	Sig.
	B	STD. Error	B			
Business Plan	.265	.093	.272		2.841	.005
Risk Thinking	.164	.078	.183		2.092	.038
Self-Efficacies	.513	.118	.427		4.350	.000

Table 2 shows that business plan influences the level of effectiveness of the entrepreneurship program where the standardized co-efficient is 0.272, $p < 0.05$. Thus, Hypothesis 1 is accepted. The results show the better the business

plan that the students developed, the higher the level of effectiveness of the entrepreneurship program in the universities.

The regression co-efficient for risk thinking is statistically significant at 0.183 ($p < 0.05$). The result shows that there is a relationship between risk thinking and the effectiveness of the entrepreneurship program. Thus, Hypothesis 2 is accepted. The result shows that the increase in risk thinking will result in an increase the effectiveness of the entrepreneurship program.

As for the self-efficacy variable, the result shows that there is a relationship between self-efficacy and the effectiveness of the entrepreneurship program where $B = 0.427$, $p < 0.05$. Thus, Hypothesis 3 is accepted. The result shows that the increase in self-efficacy will influence the effectiveness of the entrepreneurship program in the public university.

5. Conclusion

The findings show that the variables of business plan, risk thinking and self-efficacy are significantly related to the effectiveness of the entrepreneurship program while the variables of need for achievement and locus of control are not significant. These findings reveal the relationship between factors of business plan, risk thinking, and self-efficacy and the effectiveness of the entrepreneurship program which is an increase in business plan, risk thinking and self-efficacy will lead to an increase in the level of effectiveness of the entrepreneurship program.

Furthermore, in order to enhance the level of effectiveness of the entrepreneurship program, the government should stress on the elements and content of the syllabus which are related to the need for achievement and locus of control. The factor of need for achievement will lead to a productive, happy, and well-established workforce. So, universities and other higher education institutions should modify their course learning outcomes to ensure that the students can learn more about the importance of entrepreneurial skills and it will benefit them in the future.

The university also needs to nurture the students on the essence of the entrepreneurship program. Ahmed (1985) states that locus of control is the capability of a person in believing what he or she can control based on oneself. This element is a must in every youth who might be entrepreneurs in future. Fagbohunge & Jayeoba (2012) determine the locus of control as a term that indicates the degree to which an individual assumes responsibility or feels responsible for the success or failure in his life as opposed to feeling that external agents like luck is in control. Moreover, Nieuwenhuizen & Machado (2004) discuss deeply about the locus of control which is actually the extent to which a person perceives himself/herself as being within it or beyond personal control and understanding.

There are some suggestions and recommendations for future improvement in the entrepreneurship education program. First of all, the entrepreneurship study should begin at primary school level. This is for the purpose of exposing the students to entrepreneurship at a very young age. The basics of entrepreneurship should be introduced to gain their interests in this field. Similar education should be continued in secondary level where the learning process will cover the basic steps to start and enter the entrepreneurs' world, the role of entrepreneurs in reality and so on.

As a conclusion, developing entrepreneurial graduates is therefore essential for our future success. Universities and other higher education institutions should be ideally placed to expose students to environments which foster entrepreneurial mindsets and the effectiveness of the entrepreneurship programs are important keys to produce more young entrepreneurs in future. The program itself can educate our young generation to be more productive after graduating from their studies at university level. Rather than becoming unemployed, it is good to channel their creativity and energy towards entrepreneurship which is now becoming a valuable field in this world. As mentioned earlier, other countries are now doing a lot of work to develop their youth in entrepreneurship. As a developing country, Malaysia should do the same to improve and develop in the country's economy. If this asset is being used in a proper way, they not only can generate their own income but also can help our country to boost up its economic development. All of this starts from education.

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